



## **Division of Family Resources Transition**

### **Frequently Asked Questions (FAQ's)**

On November 29th, Governor Daniels announced that (pending a public hearing) the State anticipates awarding the IBM-led Hoosier Coalition for Self Sufficiency (HCSS) a contract to provide services related to information gathering and processing for public assistance programs.

The questions and answers in this document are designed to help you, as a State employee, learn more about what this transition would mean to you. With the IBM-led Coalition, you have the opportunity to join an alliance with a superior business solution to modernize the State of Indiana eligibility systems and processes. The IBM-led Coalition will need the experience and knowledge of employees like you, currently in the system, to ensure that the modernization works well.

More information will be provided to you by representatives for DFR, the IBM-led Coalition, State Personnel, FSSA Human Resources and PERF in the upcoming weeks.

### **QUESTIONS ABOUT MY STATE EMPLOYMENT**

#### **1. Does this transition affect employees of the Department of Child Services?**

No. Employees of the Department of Child Services are not affected by the transition of some public assistance duties from DFR to the IBM-led Coalition.

#### **2. Will there be any state employees performing duties related to public assistance after HCSS takes over delegated eligibility modernization service delivery?**

DFR will be keeping 682 of its county office employees to staff offices and to make final eligibility determinations for all our public assistance programs.

#### **3. Who will get those State jobs? What criteria will be used?**

Current Assistant Directors, Division Managers, Family Case Coordinator (FCC) Supervisors and Public Assistance Caseworker (PAC) Supervisors will be reclassified into the new State Eligibility Consultant merit classification, this will account for approximately 250 of the state jobs. Current Public Assistance (PA) Field Consultants will be reclassified into the new State Eligibility Manager merit classification. After these reclassifications, approximately 400 remaining vacancies in both classifications will be posted so DFR employees may apply. Applicant qualifications will be reviewed, interviews will be conducted and candidates will be selected for open positions.



**4. Will I have to take a pay cut if I transition to the IBM-led Coalition?**

No. Every employee that transitions to the IBM-led Coalition will make the same salary or more.

**5. Will the benefits be more expensive?**

No. You will have health insurance, and it will cost the same as what you pay at the State. If you have Anthem Traditional II, your insurance will be exactly the same.

**6. What about holidays and paid time off?**

Your seniority will earn you the same number of vacation, sick and personal days as you earn now. You will get 10 holidays a year.

**7. Will the IBM-led Coalition offer me a retirement plan?**

Absolutely. You will become part of the IBM-led Coalition's 401(k) plan, with your age and years of service determining their contribution amount. You will not need to contribute anything to your 401(k) to receive this money. Whenever you leave the IBM-led Coalition, this money is yours to take because there is immediate vesting (unlike the State). When you are eligible for retirement from the State, you can retire and "double-dip."

**8. What duties will be performed by these state merit employees?**

State Eligibility Consultants are responsible for authorizing all benefits, correcting eligibility determinations and contract compliance. State Eligibility Managers direct and supervise State Eligibility Consultants and ensure compliance with state and federal rules, regulations, and procedures. State Eligibility Managers will be supervised by non-merit DFR Regional Managers. Position information will be available during the state recruitment process at the Indiana State Job Bank web site: <http://www.in.gov/jobs/stateemployment/apply.html>.

**9. What happens to DFR employees who are not chosen for the vacant merit positions in the classifications of State Eligibility Consultant and State Eligibility Manager?**

Provisions of our contract with the IBM-led Coalition require them to offer positions to all DFR employees who do not stay with the State. Employees will receive employment offer letters from the IBM-led Coalition contingent upon the successful completion of a drug screen and criminal background check.

**10. If I become an employee of the IBM-led Coalition, resign or retire, when will I receive my final paycheck from the State?**

For a March 5, 2007 transition date, depending upon which payroll group you are in, your last paycheck will be dated March 14, 2007 (Payroll Group B) or March 21, 2007 (Payroll Group A).



Your last paycheck will include your hours up to your last day worked. The benefits termination date is determined by an employee's payroll group (April 1, 2007 for Payroll Group B and April 8, 2007 for Payroll Group A).

### **11. Will I lose all my sick, vacation, and personal leave that I have accumulated with the State?**

In accordance with the merit rule 31 IAC 2-11-3(f), State employees leaving State service may be compensated for up to 225 hours of accrued but unused vacation leave. That compensation will be in your last paycheck. Retirees have additional options under 31 IAC 4 that can be exercised if they are eligible for retirement. Employees who later return to state employment may have unused and uncompensated leave time returned to their leave balance.

### **GENERAL QUESTIONS ABOUT STATE RETIREMENT**

*These answers are for general information purposes and do not constitute legal advice.*

### **12. What happens to my Public Employees' Retirement Fund (PERF) status in this transition?**

There are several steps employees can take to obtain more information on their benefits status with PERF. Information is available at the PERF website at [www.in.gov/perf](http://www.in.gov/perf) for general questions about state retirement or by phone at 888-526-1687. You can also e-mail questions to: [questions@perf.in.gov](mailto:questions@perf.in.gov).

In addition, PERF offers regional pre-retirement workshops for those considering a state retirement in the near future. Information on regional workshop locations and times are available on the PERF website at: [www.in.gov/perf/public/retirement\\_workshop.html](http://www.in.gov/perf/public/retirement_workshop.html).

### **13. When I retire, where do my benefits come from?**

There are two components to your PERF benefits. One is your defined benefit or pension which is paid as a lifetime monthly benefit to you when eligible. The monthly benefit is calculated based on three factors: final average salary, years of creditable service, and a multiplier of 1.1% (.011). A Benefits Calculator is available on the PERF website ([www.perf.in.gov](http://www.perf.in.gov)) to get an idea of how the formula works. You may also obtain an estimate from PERF using this calculation once you are within two years of eligibility for early or normal retirement.

The second part is the Annuity Savings Account (ASA) which you become vested in as soon as contributions are credited to your individual account. State law requires that 3% of an employee's gross wages be contributed to this fund and the State has been making those contributions to this account. It serves to supplement the defined benefit or pension at retirement. An individual's ASA can only be withdrawn when separating from PERF-covered employment or at retirement. You are urged to carefully consider all the conditions specific to your situation before selecting a withdrawal option.



**14. How do I know if I qualify for Normal Retirement or full benefits?**

There are three ways you become eligible to receive full pension benefits:

- Age sixty-five (65) and have ten (10) or more years of creditable service under PERF.
- Age sixty (60) and have fifteen (15) or more years of creditable service under PERF.
- Age fifty-five (55) and your age at retirement plus your total years of service under PERF equals eighty-five (85) or more (known as the Rule of 85). For example: age 55 and 30 years of creditable service totals 85; age 58 and 29 years of creditable service totals more than 85.

**15. What if I cannot qualify yet for Normal Retirement? May I be eligible for a reduced benefit?**

If you are between the ages of fifty (50) and fifty-nine (59), inclusive, and you have fifteen (15) or more years of creditable service under PERF, you can receive a reduced pension. For example: age 50 equals 44% of full pension; age 59 equals 89% of full pension. Keep in mind that if you choose this option, the reduced amount will be what you get until you die.

**16. I have heard about Senate Bill 340. What do I need to know about it?**

For DFR transitioning employees, this law will provide immediate vesting if the member has worked at least 24 months in a PERF-covered position. It also allows the State to purchase up to two (2) years of service credit for a member who is within 2 years of a full or reduced pension benefit if the person is affected by privatization. To qualify for this benefit, a person may purchase additional credit to get themselves within 2 years of a pension benefit.

If you participate in the State of Indiana's deferred compensation program and have money accumulated in an account, you can use that to purchase service credit with PERF. (More information on the State of Indiana's deferred compensation program is available by phone at 877-848-5838 and on the internet at [www.hoosierstart.com](http://www.hoosierstart.com).) If you are interested in purchasing service credit, contact Anna Pell, FSSA Human Resources, by phone at 317-232-1082 or e-mail at [anna.pell@fssa.in.gov](mailto:anna.pell@fssa.in.gov).

**17. I heard that you can only earn \$35,000 in a year and your retirement stops. Is that true?**

For those who go to work for the IBM-led Coalition, there is no limit on PERF retirement earnings. The only time a limit is imposed is when you return to work in a PERF-covered position.

**18. I have worked as a caseworker for 25 years. I also taught school in Indiana in a (Teachers Retirement Fund) TRF-covered position for 5 years before that. Does this count for creditable service?**

Yes, you have 30 years of creditable service. There also are other types of creditable employer service that may count. It is best to call a PERF Counselor to discuss your employment history at 1-888-526-1687, before submitting your retirement application.



### **19. How do I apply for retirement benefits?**

To request a retirement application, go to the PERF website at [www.in.gov/perf](http://www.in.gov/perf) and submit it, along with required documents such as your birth certificate, to PERF. The PERF website instructs people to apply for benefits no later than six (6) months prior to retirement. This is to allow PERF to verify all of your past PERF-covered service. At this time, that may not be available. However, you will receive retro benefits to your eligible retirement date. Again, if you have questions at any time, call 1-888-526-1687. You can also e-mail questions to: [questions@perf.in.gov](mailto:questions@perf.in.gov).

### **20. If I want to retire from the State and go to work for the Coalition as part of the transition, when should I retire in order to receive both an employment offer and retirement benefits?**

You will need to be employed with the State on the effective date of the transition and request your retirement benefits start the next effective retirement date after the transition occurs.

## **QUESTIONS ABOUT APPLYING FOR EMPLOYMENT WITH HCSS**

### **21. Do I have to apply for a position with the IBM-led Coalition?**

No, personalized letters containing employment offers will be distributed at upcoming employee meetings across the state. These offers of employment will have a response due date and those who accept employment offers will then complete appropriate employment paper work and receive detailed benefits information as part of the employment process.

### **22. What can I expect from an employment offer with the IBM-led Coalition?**

After an awarded and signed contract, FAQ's will be distributed by the IBM-led Coalition to answer employees' initial questions about employment.

## **POST-ANNOUNCEMENT QUESTIONS - Updated 12/20/06**

### **23. If I go to the IBM Coalition and I have not yet received a performance review salary increase for 2007 with the State, when will I be eligible for a salary increase?**

Employees are evaluated on a yearly basis with the IBM Coalition and the next review date will be July 1, 2007. Salary increases are based on merit evaluation. If you have not already received a review and increase for 2007 from the State by the time of transition, you will be eligible for a full salary increase amount.



**24. What happens to part-time, job share caseworkers in the transition to the IBM Coalition?**

The IBM Coalition will transition employees at their current schedule and hours.

**25. How long will the IBM Coalition provide the subsidy to offset the difference in employee premiums for medical, dental and vision plans?**

The recurring supplemental payments are based on the 2007 State employee premium amounts and will continue as long as the employee continues to be employed in connection with providing the services to be contracted.

**26. Does the vendor provide a tuition reimbursement program?**

Yes. The Tuition Assistance program provides up to \$4,000 per year for approved courses. Courses must be: related to the employee's position, part of a career development plan, or part of a performance improvement plan and approved by management.

**POST-ANNOUNCEMENT QUESTIONS - Updated 12/18/06**

**27. Will the tobacco incentive for the State's medical plans in 2007 be part of the IBM Coalition medical plan?**

The IBM Coalition will have the Anthem Traditional II plan with the tobacco incentive for 2007. This incentive will not carry over to the vendor's other medical plans.

**28. Does the vendor provide the One Care Street program?**

The vendor does not offer One Care Street but offers other health management programs.

**29. How will I accrue vacation with the IBM Coalition?**

Vacation will accrue per pay period. Employees will transition with no less than their current accrual level and will continue to earn the current level of vacation until they qualify for the next accrual level. Vacation days are accrued throughout the fiscal year, July 1<sup>st</sup> to June 30<sup>th</sup>. Unearned vacation may be borrowed throughout the fiscal year. Employees will be eligible for the next level of vacation when they meet the next accrual level according to the employer schedule and based on the transitioned service date, on that service date.



**30. Does the vendor contribution for a 401k go directly to the employee or directly into the 401k?**

Employer 401k retirement plan contributions go directly into the plan.

**31. Will 10 holidays continue to be offered after the two-year commitments are up?**

Yes.

**32. Will everyone remain at their current work site until the roll-out?**

Your work location and job may change in the future, but on the transition date and in the near future, your work location and job will continue as is.

**33. How will pre-existing conditions be addressed with the new insurance?**

As long as you are currently participating in the respective insurance plan (Medical, Dental, Vision) with the State, pre-existing conditions will be waived for the transition of that plan.

**34. Will the vendor insurance cover life insurance and disability just as the State provides?**

The vendor offers a benefits package which includes life insurance and disability coverage for transitioning employees.

**35. Are the College Choice plans transferable?**

College Choice plans are acknowledged by the State Auditor for payroll deduction purposes only. Actual plans are administered through an employee's financial institution.

**36. What will the position qualifications and rate of pay be for State Eligibility Managers?**

When posted, the minimum qualifications for a State Eligibility Manager position are seven years fulltime professional experience in counseling, social services, education, public administration or related experience. At least one year of the required experience must be in an administrative,



managerial or supervisory capacity. The minimum salary for a State Eligibility Manager is \$1,409.00 biweekly.

**37. What will the position qualifications and rate of pay be for State Eligibility Consultants?**

When posted, the minimum qualifications for a State Eligibility Consultant position are five years fulltime professional experience in counseling, social services, education, public administration or related experience. The minimum salary for a State Eligibility Consultant is \$1,122.00 biweekly.